

18 November 1959

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: Cutback in the NIS Program

1. In our conversation of Thursday last you informed me that the Bureau of the Budget was interested in further reductions in the NIS program, based on so-called "understandings" reached between Mr. Stans and the DCI during last year's budget considerations.

2. The program is already sustaining serious reductions in funds and manpower. By your memorandum of 28 July 1959, State was notified of an 8% reduction in NIS funds for FY 1960 and an additional 10% reduction for FY 1961 -- a 17% net cutback. Moreover, the Defense agencies have cut back in NIS scheduled production for FY 1960, as measured against the JCS requirement of 8 equivalent NIS per year, as follows: Army 17%, Navy 33%, Air Force 15%. The budgetary prospects for FY 1961 indicate the possibility of even further manpower reductions affecting NIS production in the Defense agencies.

3. I should like to view this situation as a temporary one, else I can only conclude that we are faced with the eventual emasculation of the NIS program as laid down by NSCID No. 3 and developed over these past 12 years at a great cost in money and manpower.

4. Certain fundamentals bear consideration:

a) The NIS program does not of itself create basic intelligence requirements, but incorporates in one package the separate and combined requirements of the several intelligence agencies. In lieu of the NIS, these requirements would have to be fulfilled by the agencies themselves--and usually on a crash basis after the need has become critical. In short, to cut off NIS production does not affect the intelligence requirement; it merely shifts to the departmental level.

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b) The logic of such a single coordinated program stems from: 1) the elimination of unnecessary duplication and deficiency of effort if left to the agencies themselves; 2) the refinement of intelligence requirements to meet both national and departmental objectives; and 3) the sustained, planned development of comprehensive collection, collation, and production of integrated basic intelligence in the vital interest of the national security.

c) To maintain the validity of our present capital investment of some 4,000 NIS sections, required as a minimum the sustained production of the equivalent of 8 NIS per year (500 sections), without taking into account initial production on areas not yet covered. Even this level of maintenance effort would require major realignment of NIS units to be programmed, and full exploitation of all means for optimum utilization of contributing agency capabilities. Production cutbacks from these minimum

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c) To maintain the validity of our present capital investment of some 4,000 NIS sections requires as a minimum the sustained production of the equivalent of 8 NIS per year (500 sections), without taking into account initial production on areas not yet covered. Even this level of maintenance effort would require major re-alignment of NIS units to be programmed, and full exploitation of all means for optimum utilization of contributing agency capabilities. Production cutbacks from these minimum levels would mean progressive obsolescence of published NIS and increasing resort to ad hoc maintenance of selected topics, thus losing both comprehensive coverage and integrated presentation.

5. I have appended a rough approximation of NIS production costs at the present level of effort. Though considerable, they should not be equated directly with a king size version of Dr. Eliot's "Five Foot Shelf." There is much more to the operation than the end product between binders. A sizable proportion of the basic research reflected in the published NIS is common to departmental staff studies and would be done whether or not the NIS existed. The NIS also uniquely provides all collection activities with a running inventory pinpointing our intelligence gaps and deficiencies. Finally, the cost of the NIS is a reasonable and prudent investment in providing for the availability of comprehensive basic intelligence for immediate use both in Washington and at all of our far-flung military commands and Foreign Service posts in times of crisis--as in the Lebanese situation--when time itself is of the essence.

Enclosure:
NIS Cost Estimate

VOID


Assistant Director
Basic Intelligence

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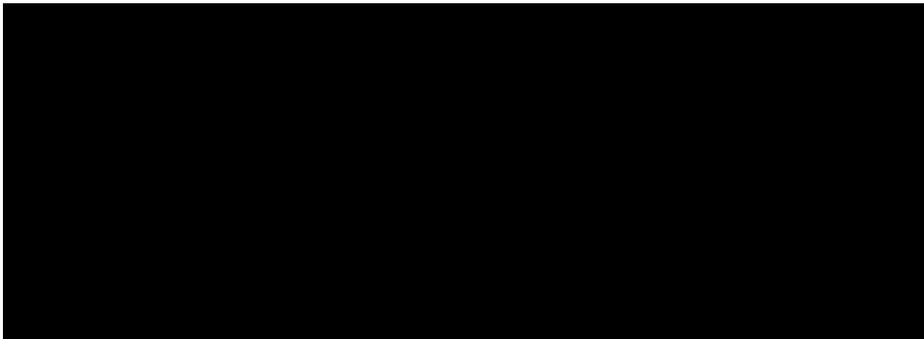
Attachment to
Memo for DD/I
18 November 1959

For: DD/I only

NIS PROGRAM ANNUAL COST ESTIMATE

1. Basis for Estimate

The estimated cost of the NIS program production can be indirectly approximated by a straight line projection of State's production costs divided by State's percentage of the total program production. In addition, there need be considered the cost of the Gazetteer program, the NIS map and printing costs, and the operating expenses of OBI.



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